



Agenda Report

May 12, 2014

TO: CITY COUNCIL

FROM: ROSE BOWL OPERATING COMPANY (RBOC)

SUBJECT: ADDITIONAL TERMS TO BE ADDED TO LICENSE AGREEMENT WITH LIVE NATION FOR THE PRESENTATION OF AN ADDITIONAL CONCERT TO BE HELD ON AUGUST 3, 2014,

RECOMMENDATION:

It is recommended that the City Council:

1. Find that proposed actions are categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15323 (Normal Operations of Facilities for Public Gatherings);
2. Authorize a license agreement with Live Nation for the presentation of a Jay-Z & Beyonce concert at the Rose Bowl to occur on August 3, 2014 contingent upon the release of the RBOC from the contractual obligation to host the Pac-12 Championship Game in 2014.
3. Acknowledge that the General Manager will issue a permit to Live Nation for the purposes of sound check on August 3, 2014 between the hours of 10:00 a.m. – 11:00 p.m.
4. Ratify that the August 3, 2014 event would fall under and be the 12th displacement event allowed under the Pasadena Municipal Code (Chapter 3.32, Arroyo Seco Public Lands) for 2014, contingent upon release of the RBOC from its contractual obligation to host the Pac 12 Championship Game.

BACKGROUND:

On April 21 and April 22, 2014, respectively, the RBOC and City Council approved a license agreement with Live Nation, and made required findings as required as part of the Arroyo Seco Public Lands Ordinance in order to host the Jay-Z/Beyonce concert on August 2, 2014. At that time, it was indicated that the August 2nd event would be the 18th approved displacement event at the Rose Bowl in 2014. The maximum number of

displacement events at the Rose Bowl in 2014 was capped at 18 per RBOC and City Council actions on February 6 & 10, 2014.

The list of approved events to date is below:

- Rose Bowl Game, January 1, 2014
- BCS National Championship Game, January 6, 2014
- Autism Speaks walk, April 26, 2014
- July 4th Celebration, July 4, 2014
- International Soccer featuring Manchester United vs. Los Angeles Galaxy, July 23, 2014
- Concert featuring Beyonce and Jay-Z on August 2, 2014
- Two concerts featuring Rihanna and Eminem on August 7 and 8, 2014
- Three concerts featuring One Direction, September 9, 10 and 11, 2014
- UCLA vs. Memphis, September 6, 2014
- UCLA vs Utah, October 4, 2014
- UCLA vs. Oregon, October 11, 2014
- UCLA vs. Arizona, November 1, 2014
- UCLA vs. USC, November 22, 2014
- UCLA vs. Stanford, November 28, 2014
- *Pac 12 Championship Game, December 6, 2014 (this will only be hosted at the Rose Bowl if UCLA has the best record in the Pac 12 Conference)

In the past few days, it has been reported that the PAC-12 Conference may have the conference championship football game played at a neutral site beginning in December 2014. The RBOC had held a potential date for that game as part of its base 12 displacement events under PMC Chapter 3.32 since it was contractually obligated to host the game under certain circumstances. However, should the relocation of the game occur, the Rose Bowl would be scheduled to host only 17 displacement events and therefore the addition of a second Jay-Z and Beyonce concert on August 3rd, would not exceed the cap of 18 displacements events in 2014. Accordingly, the request herein is for authorization to host the additional concert contingent upon release of the RBOC from the contractual obligation to host the PAC-12 championship game.

Live Nation has acknowledged that the City and RBOC would incur no liability if the Pac 12 Championship game structure does not change, and the RBOC is not relieved of its contractual obligation to potentially host the Pac 12 Championship Game. If this were to occur, the August 3rd concert cannot be held at the Rose Bowl

The deal points for the additional concert on August 3rd would be consistent with the previously approved August, 2nd show. Some of the key deal points are as follows:

- Flat License Fee
 - o Attendance under 50,000 – \$286,000
 - o Attendance over 50,000 – \$302,500
- Admission tax
 - o \$1.59 per ticket

Both the license fee and admission tax are RBOC revenue streams. It should be mentioned that none of the ticket revenue will be shared with the RBOC.

Recognizing that this would be the 4th concert scheduled to occur during the first week of August, Live Nation has also agreed to contribute \$200,000 as part of the agreement for this event to help fund project(s) within the Central Arroyo.

Similar to other concerts, the promoter and the RBOC will share revenue of ancillary income in certain categories, such as the following:

- o Net concession income
- o Net parking income (and traffic)
- o Premium seating income & corresponding Pavilion expenses
- o Novelty income
- o Picnic in the Park (a pre-event in area H that is designed to get fans to the stadium sooner in the day in order to help manage traffic closer to show time)

The promoter will reimburse the RBOC for the following: expenses:

- Facility damages
- Field Damage
- VIP special requests related expenses
- Stagehands expenses
- Permit expenses
- Pre-coverage, move-in, move out & production expenses

The event will have a stage that is expected to be located in the south end of the stadium, which is typical for most concerts that occur at the Rose Bowl. This configuration will provide a capacity of up to approximately 60,000 spectators. The event is anticipated to begin at approximately 7:00 p.m. and end no later than 11:00 p.m., although specific times have not been defined as of yet. As traditionally occurs

for a major concert at the Rose Bowl, amplified noise will exceed non-event day sound levels originating from the stadium. A sound permit exempting this event from the general standards of the noise ordinance and allowing noise levels up to the limits specified in the noise element of the City's General Plan will be issued pursuant to Section 9.36.170 of the Pasadena Municipal Code. This will permit amplified sound to occur at the following levels: not exceeding a constant of 85 decibels (dba) at the outer limits of the property line and not exceeding a constant of 75 dba at the nearest residential property line. It is not a violation of this permit however, for noise to intermittently spike above those levels, as the Noise Element of the City's General plan indicates is the historical norm for this permitted activity. The Rose Bowl shall place noise monitors at various locations throughout the area during the sound amplification. It should be noted that City Council approval of the license agreement or the sound permit is not required for this event.

Event traffic from this as well as other displacement events requires careful management to reduce the impact on local neighborhoods. The promoter and stadium staff have been in discussions on how best to manage traffic for this event. A pre-event will be planned in order to attract fans to come to the stadium early, and other management measures will be put into place. Communication between stadium, police and neighborhood associations will occur regularly leading up to the second half of 2014, which is when the displacement events will be occurring.

ENVIRONMENTAL

State CEQA Guidelines Section 15323 exempts from CEQA review the "normal operations of facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose." Stadiums are specifically enumerated as one of the types of activities covered by this exemption. Since this concert will not occur unless the RBOC is contractually released from its obligation to host the PAC-12 championship game as explained in detail above, this concert will substitute for that game and become part of the baseline 12 displacement events authorized by the Pasadena Municipal Code to occur every year. The Rose Bowl Stadium has hosted numerous concerts over its history, including last year. There is no indication that this concert will be any different in terms of noise than any other concert hosted in the Bowl in the past, and any noise generated from this concert is expected to be within the parameters allowed by the Noise Element of the General Plan.

FISCAL IMPACT

It is anticipated that the RBOC will generate in excess of \$300,000 - \$400,000 from this event. This will enable the RBOC to help meet its operating budget for fy15, as well as develop additional funding sources for capital needs of the stadium and golf course.

This event is expected to result in a significant positive economic impact for the business community, especially hotels, restaurants, and retail outlets in the City. The RBOC will be working with the Chamber of Commerce and the Pasadena Center Operating Company staff to develop links on the Rose Bowl website and other opportunities to benefit the Pasadena business community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darryl Dunn', with a stylized flourish at the end.

Darryl Dunn
General Manager